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## LOCAL FINANCIAL SITUATION.

While the present financial situation is blamed largely on New York financiers who, as has been shown, have the prosperity of the entire country in the palms of the hands, the local situation is in a large measure due to incidents that date back some time before Wall street put on the screws. Over two months ago a rumor, started through design or ignorance, became current on the streets, resulting in a run on the Globe National bank, which was checked after a few days. But in that short time there had been a rather severe drain on the available cash resources of the bank. At the time the rumor was put in circulation the bank was in splendid condition and the cashier had left the city on his vacation. No publicity was given the matter and in a few days it had been completely dissipated. Then came the sudden locking of the New York bank vaults against the rest of the country and the banking business was abruptly paralyzed resulting in the organization of clearing house associations throughout the country. This followed runs started on some of the largest banks of New York City in which millions were withdrawn by frenzied depositors. There had been rottenness exposed in a few financial institutions and confidence in even the strongest banks was either weakened or completely shattered. Quicker than any epidemic the fever of distrust spread and other banks were forced to suspend, not being able to realize on their securities on such abruptly precipitated notice. Several of these banks have subsequently resumed operations.

When Globe was struck by the financial stringency, rumors which were thought to have been dead and buried were revived and the bank which was first the partial victim of distorted public opinion was the first to suffer. That another should follow so soon after is not remarkable, as with the vault doors of its correspondents closed against it, rendering it helpless, it was in no position to withstand the same exaggerated feeling, fostered by unfounded rumors and further distorted and enlarged under the microscope of a constantly growing distrust that could not be checked.

This is the end of bank suspensions in Globe for with two victims this unseen but crushingly felt force must be content. The three banks remaining in operation have benefited to a very great extent by the withdrawals from the institutions which were forced to suspend and their resources are many times greater than they were previous to the present stringency. All of them are under territorial control and the bank examiner who is directly in charge of them, receiving daily reports in person, states that they are absolutely sound and able to meet every obligation. The examiner has no local interests and his statement must be taken at its full worth. Regarding the two suspended banks, of which circumstances have placed him in control, he has given out no statements but it is our sincere belief that those who have entrusted their funds to their keeping will have little cause for regret when their affairs are finally brought out of the chaotic condition into which unforeseen events have thrown them.

## GLOBE STILL A LIVE ONE

The suspension of one of the two national banks of Globe shortly after the beginning of the present financial stringency followed so soon by similar action on the part of the other has severely crippled the business of this city but there is little occasion to believe that Globe has suffered an irreparable loss. While the mines of the district are operating with undiminished forces and the big smelter is turning out its daily quota of copper billion, with every company meeting monthly its payroll, Globe will remain a strong, substantial city. Although probably in somewhat less quantities, money will circulate just as freely and there will be but slight decrease in the volume of business, and then only until conditions become normal.

The strength of Globe in the past has been in the fact that it has not been a "corporation" mining camp, although its success has been largely due to large mining companies which, however, have stuck to mining and smelting, leaving the commercial business of the

BANKS AND BANKING AND HOW  
THE RECENT PANIC WAS STARTED

(Saturday Evening Post)

During the late crisis several banks and one large trust company closed their doors. As a result there was not only alarm among the depositors of these various institutions, but among the depositors of a good many other banks and trust companies who were not familiar with the details of the banking business. In many quarters much surprise was displayed when some of the banks posted notices reading like this:

**This Bank is solvent; but is closed temporarily because it is unable to secure cash for the depositors.**

The question therefore arose: "How can a bank be solvent and yet be unable to pay its depositors on demand?" An effort will be made to answer this question, because it involves a knowledge of the first principles of banking, and this knowledge should be part of the education of every investor.

## What Banks Are

In the first place, what is a bank? Not everybody stops to realize how universal and how necessary a bank is. Banks stand for stability, for credit and for business. Although paper money was used in China as long ago as one thousand years before Christ, and bills of exchange were employed in ancient Rome, it was not until the twelfth century, and in Venice, that the first bank was started. Modern banking began with the establishment of the Bank of England, in 1694.

Banking simply means dealing in money or papers that represent money. Through the medium of banking, men and firms thousands of miles apart may do business without the actual exchange of cash. There are four kinds of banks:

Commercial banks, which include both national and state banks.

Savings banks, which are, in the main, philanthropic trusts for the thrifty.

Loan and trust companies, which combine the functions of a bank with those of trustee and executor.

Private banks, which resemble a private business in their conduct.

The commercial banks are the most numerous. A national bank is one which contains the word national in its name and which is governed by what is known as the National Banking Act. As such, it is under the supervision of the United States government, which may send an examiner in at any time to examine its accounts. A national bank, by depositing government bonds with the secretary of the treasury, may issue its own notes—that is, bills bearing the name of the bank.

Commercial banks, other than national, are called state banks because they are under the supervision of the authorities of the state in which they happen to be located. Every state has its own banking laws. Some are more stringent than others. Each state, too, has a banking commissioner who has the right to know the condition of the banks, and who may take charge of them if he thinks such a step is necessary. Commercial banks have capital stock like corporations.

There are two kinds of savings banks, mutual and stock savings banks. A mutual savings bank is one that is conducted solely for the benefit of the depositors. There is no capital stock to be bought and sold or to increase or decrease in value.

A stock savings bank, on the other hand, is like any commercial bank in that it is conducted primarily to make money for the stockholders as well as for the depositors. Many of them do a general banking business. In most states the investments of savings banks are regulated by law.

Trust companies receive deposits and lend money like banks. But they do more things than the banks, because the banking laws authorize them to act as trustees and executors, to underwrite bond issues and to perform certain legal services.

A private bank is conducted by a private individual or firm. It receives and lends money; acts as agent for local or foreign corporations; deals in foreign exchange, and underwrites issues of securities.

These banks could not do business without deposits, and since deposits form such a necessary part of the business and mean, at the same time, so much to the people who own them, both state and national governments have sought to put some safeguards about their use. In the case of national banks it is required that they keep twenty-five per cent of their deposits on hand in actual legal tender and specie (paper money and coin.) This is called the legal reserve. The usual reserve required

city to individuals. As in ordinary lines of business, the companies have left the banking business to men not connected with the corporations and to these men is largely due the marvelous growth of the city during the last few years. Assistance to any worthy enterprise that would make a better and greater Globe has never been withheld by the banks and although this may reflect on them as conservative bankers, it does not reflect on them as men.

While some bitterness may be felt toward those who conducted the suspended institutions while the subject is so uppermost in the minds of many, it is generally realized that conditions over which they had no control were responsible and no blame or reproach falls on them personally. While at the present time disappointment or fears of permanent losses of savings may have possession of them, the depositors of the banks are far from facing actual want or suffering and it is our sincere hope that they will never suffer that which has bowed down those to whom the past few weeks have been fraught with anguish and heart breakings infinitely worse than a merely monetary loss.

ed by states is 15 per cent, it being argued that a reserve of this amount is ample for all normal demands. The laws restricting the reserve of trust companies are not so stringent. Hence the state of affairs which made the recent complication in New York possible.

A bank is a business institution for the purpose of making money. It is like a drug store or a grocery. Instead of selling medicine or canned goods, it uses money as its commodity. Most of the money that it uses is deposited by its depositors. It is a simple proposition when stripped down to its main facts: if the bank pays you 3 or 4 per cent interest on your money, it must employ that same money so that it will earn more than is paid for the use of it. The bank must pay the expenses of running the business, which includes cost of building in which it is located, the salaries of its employees; and there must be some profit for the people who have bought its capital stock. Hence the problem of the bankers is to employ the bank's funds so that they will earn the largest possible amount of money. Thus it happens that the deposits, instead of reposing peacefully in the vaults of the bank, are out in the busy world doing things. They may be helping other banks, building railroads, developing cities and communities, erecting buildings, promoting business or aiding commerce and credit in some constructive way.

## Depositors' Money Tied Up

You can now understand why a bank should be willing to keep only as much actual reserve on hand as the law requires, for the cash on hand in the vaults is not working and is not earning. This naturally leads to the situation which grew out of the recent Wall street panic, when a perfectly solvent bank or trust company was unable to meet the demands of the depositors. This is why: The bank or trust company, in its desire to have its money earn as much more money as possible, invested, for example, that money in high class securities, or loaned the money on collateral consisting of gilt-edged stocks and bonds. It did not reckon on a big, almost unanimous, demand on the part of the depositors for the immediate return of their deposits. It happened that for some time the stock market had been getting worse and worse and prices were constantly going down. Even the highest-class securities were affected. Money then became scarce. People wanted to get hold of their money. All of a sudden it developed that a great many people wanted to get deposits out, and actual cash was scarce. For the banks to sell their large blocks of high-class securities at the prevailing market prices would mean to sacrifice them. Yet at any normal time these securities would yield much more money than the institutions needed.

Thus it happens that while a bank or trust company may own ample securities and have ample resources it cannot get hold of the actual cash without a great sacrifice, and it closes its doors until market conditions are normal and the people return to a natural state of confidence.

One result of the New York panic has been the organization of a movement to safeguard the deposits in the trust companies. Since the trust companies had a freer hand than the banks in the conduct of their business, they took bigger risks and sometimes jeopardized the money of the people. One plan is to make them members of the clearing house association. Thus they would get the same unity of action in time of trouble that is enjoyed by the banks, which stand together, each one helping the other. A run on one of them means a run on all the banks of the association. During the recent crisis the banks came to the aid of the trust companies, because a big failure among the trust companies, after the closing of the Knickerbocker Trust company, would have precipitated a disaster.

## PERSONAL PARAGRAPHS

J. L. Alexander went to the Gila valley yesterday on a business mission. J. L. Gibson of the Arizona National is in the city from Crowley on business.

W. P. Richardson, a Phoenix attorney, is transacting legal business in the city.

Dr. J. L. Parker, mine physician in the Pinto district, came in last evening to spend a few days.

William Sparks, the former ranger, came in last night from the San Carlos agency to transact business. C. D. Reppy, right of way agent for the Gila Valley, Globe & Northern, arrived in the city last evening from Safford to spend a few days in the city.

W. F. Ingram, auditor for the Randolph lines, will return to Tucson this morning after spending several weeks here checking up the accounts of the local agency.

D. W. Wicksham, head of the Solomon-Wicksham Wholesale company, came up from Safford last evening, accompanied by Maury Grider, his manager at Safford.

WILL MEET NEXT YEAR  
IN SAN FRANCISCO

MUSKOGEE, Okla., November 22.—The Trans-Mississippi congress will meet next year in San Francisco.

## A Good Show

The Mysterious Wayne is mystifying everyone at the Iris this week.

## Always Was Sick

When a man says he always was sick troubled with a cough that lasted all winter—what would you think if he should say he never was sick since using Ballard's Horehound Syrup. Such a man exists.

Mr. J. C. Clark, Denver, Colo., writes: "For years I was troubled with a severe cough that would last all winter. This cough left me in a miserable condition. I tried Ballard's Horehound Syrup and have not had a sick day since. That's what it did for me." Sold by Palace Pharmacy.

## DOLLARS FOR YOU; DOLLARS FOR US

## OUR FIRST ANNUAL THANKSGIVING SALE

Opens in a blaze of bewildering bargains this morning. Cut prices prevail throughout this great home furnishing house. Money may be tight, but the Thanksgiving sale prices will untie the strings to your pocketbooks, and make you glad that you invested. No such prices were ever quoted on reliable furniture and general furnishings. We specialize today on articles that should satisfy your Thanksgiving wants. Don't miss this opportunity to furnish your house for the holiday season.



## DISHES--GLASSWARE

In this department—our china shop—we take great pride. It is the biggest thing of the kind in Arizona. No larger or better assortment of dishes in the southwest. Many pretty and exclusive patterns and a large open stock to select from. Full sets or single pieces, just as you may desire. The prices are of the kind that will make you give thanks. Everything in glassware, including bar glasses such as beer and whisky. These elegant goods are all in the big Thanksgiving sale now on. This is an opportunity of a lifetime.

## RANGES AND STOVES

In no retail store under the shining sun is there a more varied or representative stock of ranges and stoves shown than right under our roof. As Thanksgiving time approaches the housewife's interest naturally centers on a good range. Goodness extends from the lowest priced to the highest—\$20 to \$175—and we haven't a stove in the house that is not FULLY GUARANTEED. Cooking stoves range from \$7 and up.

## BUFFETS-SIDEBOARDS

Another Thanksgiving necessity and a joy forever in every home. No dining room is complete without one or the other. We are particularly proud of this line, as it is not excelled in any store in the territory. Beautiful things in solid oaks. Sideboards and buffets, actually worth \$55, in this sale \$45, and on up.

CHINA CLOSETS—A line that will surely surprise you, in rich woods, cabinet work and general designing, \$35 and up.

## AFTER DINNER CHAIRS

What is more pleasant to anticipate after the Thanksgiving dinner than a comfortable rocking chair? We can supply this demand in a more satisfactory way than any house in Arizona. Drop into this department and you'll conclude that we purchased for the entire territory. Rock-kind from the massive leather upholstered oak to the plain little sewing chairs. They come in wickers, polished oak and mission styles, and are quoted at prices never before named in the history of Globe. See them.

## KITCHEN FURNITURE

The queen of this department is the always convenient Kitchen Cabinet, a piece of furniture that no good housekeeper cares to be without. It affords in neat and compact form a place for everything and in the matter of saving, will pay for itself in a year. Inexpensive, invaluable. We carry all kinds of Kitchen Tables and our line of Kitchen Sinks is equally as complete. All of these goods in the anniversary Thanksgiving special sale.

Iron Beds.—By far the largest assortment in the city. Enamelled in all the popular tints. We have a line of good beds from \$3 up.

**J. P. McNEIL**

## CLASSIFIED ADVERTISEMENTS

Make Your Wants Known Here. You Will Get Satisfactory Results.

Advertisements under this head 10 cents per line the first insertion and 6 cents per line each subsequent insertion. By the month, \$1.00 per line. No ad inserted for less than 30 cents. All ads under this head must be paid for in advance. Discount to regular advertisers.

## WANTED

WANTED—A competent waitress at the Dominion hotel.

WANTED—Room or tent furnished for bathing. Address R. D., Silver Belt.

WANTED—Reliable help is furnished promptly free of charge at the Employment Agency, 230 North Broad.

SITUATION WANTED—Female stenographer, holding certificate, accurate and steady would like position in Globe. Address Alice Mason, San Carlos, care P. Jones.

WANTED—Five-room house, partly furnished. Small family, no children. State location and price. Address A. Silver Belt office.

## FOR RENT

FOR RENT—Desirable furnished room. Mrs. L. G. Coombs, Ballground.

FOR RENT—Nicely furnished, very comfortable room, opposite Dominion hotel.

FOR RENT—One large furnished room for light housekeeping. Mrs. Geo. R. Hill, Old Ballground.

FOR RENT—Two room house partly furnished. Inquire at 362 S. Hill street.

FOR RENT—Furnished front room for lady or gentleman. 539 South Hill street.

FOR RENT—Modern six room house, furnished. Close in. Inquire at 320 East Oak.

FOR RENT—Room in the Postoffice building. Apply at Silver Belt office.

Satisfaction our motto. We have the best equipped paint store in the city. Van Wagenen, next door to the postoffice. Give us a call.

A Good Show  
The Mysterious Wayne is mystifying everyone at the Iris this week.

FOR RENT—Furnished front room with bath. Inquire Mrs. E. Trevilian, East Cedar street.

FOR RENT—Furnished rooms with privilege of light housekeeping. Inquire 320 East Oak.

FURNISHED rooms for rent at No. 178 South Pine street, in rear of Dominion hotel.

FOR RENT—Ten-room house; lavatory in every room; just completed. Inquire of J. Maurel, box 221.

FOR RENT—Three-room house. Apply Jule Maurel, box 221, or Cement street.

FOR RENT—Furnished front room with bath, \$10.00 per month. 277 N. High street.

## FOR SALE

FOR SALE—Five-room furnished residence, Nob Hill. Box 1165.

FOR SALE—Old newspapers at this office.

FOR SALE—A few good, small, second hand heating stoves. Inquire 320 East Oak street.

FOR SALE—Fresh milch cow, 413 S. Hill street.

## LOST AND FOUND

FOUND—Pair of spectacles, steel frame. Prove property and pay for this ad. at Silver Belt office.

LOST—Pair of silver frame spectacles, initials H. A. U. X. on nose-piece. Reward for return to this office.

The largest stock of overcoats in Globe. Stein-Block and Alfred Benjamin's at Lantini's.

## A Wonderful Trick

See Wayne the Wizard at the Iris. Also new moving pictures and illustrated songs.

## The Proclamation Has Been Issued

Now

## The Thanksgiving Feast



WE ARE now booking orders for the nation's feast of thanks. A full carload of the Valley's choicest young birds, personally selected and fattened especially for us for this feast day, is en route. Shipment consists of TURKEYS AND CHICKENS.

Orders also have been placed for wild ducks and other game that can legally be handled.

OYSTERS  
In bulk and can, a special Thanksgiving shipment, and you can count on them being strictly fine and fresh.

SPECIAL CUTS OF BEEF  
Veal and mutton, and everything in the meat line. Nice line of early winter green vegetables.

## You Will Have Much to Be Thankful For

If You Place Your Orders With

## The Independent Market

Annual Sale of Beautiful  
SNOWY TABLE LINENS

## For Thanksgiving

IT WAS an early Pilgrim custom, after a bountiful harvest, to offer thanks to the Supreme Being, and partake of a royal feast. This beautiful custom has ever since been carried out by a thoughtful and appreciative people. Thanksgiving this year, November 28, will be the most glorious in the history of this wonderful nation. It is every housekeeper's pride that her Thanksgiving festive board shall be spotless and snowy, and with this in mind, we have collected the choicest patterns in beautiful table linens produced by the most famous linen mills in the world. Ireland, Scotland, Germany and England are contributors to this brilliant display of housekeepers' linens.

## Thanksgiving Sale Starts This Morning

Lowest Prices of the Year Will Prevail. You Can't Afford to Miss this Linen Opportunity.

## Old Dominion Commercial Co.

YOU KNOW THE PLACE

Clearing House Scrip, Checks or Cash All Look Alike to Us.

Lon Sanders, Proprietor

The  
Bank  
Exchange

High-Class  
Wines and Liquors

Imported and  
Domestic Cigars

Dolls  
and  
Teddy's

Buy your dolls and teddy bears while the assortment is large.

10 per cent off on everything in our front room.

## SULTAN BROTHERS